Public Service Company
of New Mexico
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January 28, 2003

Director of Utilities
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Subject: Public Service Company of New Mexico (PNM)
2003 Arizona Ten-Year Plan Submittal

E-00000D-03-0047

Dear Director:

Enclosed for filing is PNM's 2003 Arizona Ten-Year Plan submittal pursuant to Arizona Revised Statutes, Section 40-360.02 relative to power plant and transmission line siting. If there are any questions concerning PNM's filing, please direct them to the undersigned at (505) 241-2808 or to Mr. Wayne Pilz at (505) 855-6329.

Thank you.

Sincerely,

Roger D. Eklund
Regulatory Project Manager

Enclosure

RDE/rde

cc: Mr. Wayne Pilz - PNM

E-00000D-03-0047

PUBLIC SERVICE COMPANY OF NEW MEXICO

TEN-YEAR PLAN

2003 TO 2012

January 2003

Prepared for the

Arizona Corporation Commission

and the

Power Plant and Transmission Line Siting Committee

PUBLIC SERVICE COMPANY OF NEW MEXICO

TEN-YEAR PLAN

2003 TO 2012

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PUBLIC SERVICE COMPANY OF NEW MEXICO

TEN-YEAR PLAN

2003 TO 2012

General Information

This report is submitted pursuant to Arizona Revised Statutes, Section 40-360.02, relating to power plant and transmission line siting requirements.

PNM presently has no definitive plans to construct new generating plants in Arizona. However, PNM is continually assessing power marketing opportunities and/or projects that may ultimately result in construction of new generation should such opportunities/projects come to fruition. If PNM decides to develop a new power plant in Arizona, or to purchase an interest in a power plant under development in Arizona, PNM will file a timely plan with the Commission to the extent required by subsection B of Section 40-360.02.

PNM has one transmission project to report, the Sonora - Arizona Transmission Interconnection Project. The Sonora – Arizona Interconnection Project would be the first of its kind between the US and Mexico and would link the Western US electric power market center at Palo Verde with a significant electric node in the Mexican National System at the Santa Ana Substation in the State of Sonora. PNM proposes to construct two 345 kV high voltage circuits, within a single right-of-way, to interconnect the existing electrical systems of the United States and Mexico. The desired in-service date for these facilities is Summer 2006. The two circuits will primarily be constructed on single circuit towers but may utilize double circuit towers in selected areas to minimize impacts and, depending on economic and other business conditions at the time, the individual circuits may actually be constructed based on a phased timing approach. Over the majority of the preferred route the lines will follow existing utility features including other electric transmission lines and natural gas pipelines. Both of the proposed transmission circuits would originate at the Palo Verde Nuclear Generating Station (PVNGS) High Voltage Switchyard [formerly referred to as the Arizona Nuclear Power Project (ANPP) High Voltage Switchyard] and connect with complimentary facilities of the Comisión Federal de Electricidad (CFE) at an existing substation named Santa Ana, located some 60 miles south of the international border.

In order to assure reliable and secure operation of the electric interconnection, conversion equipment to convert the power flow from alternating current "AC" to direct current "DC" and then back to AC would be installed at a single converter station, preferably located at a point close to the international border for technical reasons. The line(s) between the PVNGS High Voltage Switchyard and this new converter station would be operated at 345 kV, while the line(s) between the new converter station and the interconnection point with the Mexican system would be operated at either 230 or 400 kV. Each of the individual AC Line(s) is expected to be rated for a transfer capability of approximately 400 to 500 MWs.

PUBLIC SERVICE COMPANY OF NEW MEXICO

TEN-YEAR PLAN

TRANSMISSION FACILITIES

2003 TO 2012

Line Designation	Arizona - Sonora Transmission Interconnection Project
Size	
(a) Voltage	345 kV AC in Arizona
(b) Capacity	800 to 1,000 MW depending on final system design
(c) Point of Origin	PVNGS High Voltage Switchyard
(d) Intermediate Point	None identified at this time. Potential for intermediate connection points are under discussion and may be a consideration as project develops.
(e) Point of Termination	Santa Ana Substation, Santa Ana, Sonora, Mexico
(f) Length	Approximately 250 to 300 miles, depending on final routing, of which 200 to 235 miles are in Arizona
Routing	To be determined (see map)
Purpose	To interconnect the electrical systems of the United States and Mexico
Date	
(a) Construction To Start	Spring 2004
(b) Expected In-Service Date	Summer 2006

PUBLIC SERVICE COMPANY OF NEW MEXICO

TEN-YEAR PLAN

TRANSMISSION FACILITIES

2003 TO 2012

Technical Studies

Three reports of significance address the impact of the proposed project on the current and planned Arizona electric transmission system. These reports were submitted with Salt River Project's Ten-Year Plan for 2002 and are hereby incorporated by reference below:

"Report on the Preliminary Study for the Palo Verde Interconnection"
Prepared for the Palo Verde Interconnection
and the Western Arizona Transmission System Task Force
by Salt River Project
March 2, 2001

"Report on the Phase 1 Study of the Central Arizona Transmission System (CATS)"
Prepared for the CATS Steering Committee
by Arizona Public Service, Salt River Project,
and Tucson Electric Power
July 20, 2001

"Report on the Phase II Study Of the Central Arizona Transmission System (CATS)"
Prepared for the CATS Steering Committee
by Arizona Public Service, Salt River Project,
Tucson Electric Power and Public Service
Company of New Mexico
September 24, 2002

Public Service Company of New Mexico/Alstom
Sonora-Arizona Interconnection Project
Routing Alternatives